

# EXHIBIT A

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT COURT OF NEW YORK  
Civil Action No.: 1:18-cv-02501 (ALC) (KNF)

-----x

ELIZABETH KENNEDY,  
  
Plaintiff,  
  
v

ROBERT BASIL, THE BASIL LAW GROUP P.C.,  
ARTIFECT LLC, WFT REALTY LLC, WFT FASHION  
INC.,  
  
Defendants/  
Counterclaim  
Plaintiffs.

-----x

260 Madison Avenue  
New York, New York 10016  
  
December 7, 2018  
  
a.m.

10:00

EXAMINATION BEFORE TRIAL OF ROBERT BASIL, held  
at the above-mentioned time and place before  
ANNMARIE OAKLEY, a Notary Public of the State of  
New York.

1 R. BASIL

2 owed?

3 A Eventually there was a lot of talk about  
4 the tax situation, that whoever was in charge of  
5 payroll was not paying the withholding tax and I was  
6 unaware of that up to a certain point. There's a  
7 whole discussion we can have about that if you care  
8 to have that now, but would you read back his  
9 question I want to make sure I address what you  
10 asked.

11 (The requested portion was  
12 read by the court reporter.)

13 A I don't remember other than the tax  
14 situation. It's possible, and I will say it's  
15 possible because the company was always in a state  
16 of insolvency, if you will. It could not meet its  
17 obligations. I will define it differently this  
18 time. It could not meet its obligation as they came  
19 do, and so the only way to pay people was for, in  
20 someway, Robert Basil to step in individually or  
21 through his companies. Did EJ ever ask me to do  
22 that outside of the tax situation I'm not sure but  
23 it wouldn't surprise me if the answer is yes.

24 Q When was the company insolvent for the  
25 first time?

1 R. BASIL

2 A Always.

3 Q So the company was always insolvent yet  
4 you kept pumping money into it?

5 A Yes. As far as I understand we got behind  
6 in accounts payable very early on. We never caught  
7 up, and at the end of the company we still owed  
8 approximately \$900,000 just to vendors, so under the  
9 definition of insolvency that could the company pay  
10 its accounts as they came due, I'm not sure what the  
11 first date was but it was as far as I know it was  
12 very early where we fell behind in accounts payable  
13 and the only source of money was me.

14 Q And you kept pumping money into an  
15 insolvent company for what reason?

16 A Multiple reasons.

17 Q Name one.

18 A Support of the individuals I originally  
19 had committed, in my mind, to support, not pull the  
20 plug.

21 Q Did you think it would turn a profit at  
22 some point?

23 A The way you phrase it I would have to  
24 answer I didn't know.

25 Q You came into this not for profit as you